

Solicitation for Public Comments on Contract Terms that May Harm Competition

The Federal Trade Commission is inviting public comments on contract terms that may be harmful to fair competition. The Commission has heard from the public about a wide range of terms that may create power asymmetries that disadvantage small businesses, workers, and/or consumers. Concerns have been raised about exclusivity provisions that require small businesses to limit their trade to a single company, non-compete clauses that prevent workers from seeking employment with other firms, and other one-sided contract terms that may exacerbate or lock in power disparities. The Commission encourages members of the public to comment on any issues or concerns they believe are relevant or appropriate to the Commission's consideration and to submit written data, views, facts, and arguments addressing the topic. The Commission previously solicited input on the topic in 2018 and 2020. Public petitions to prohibit two specific contract terms have also been included for reference (see [Petition for Rulemaking to Prohibit Worker Non-Compete Clauses](#) and [Petition for Rulemaking to Prohibit Exclusionary Clauses](#)), but additional examples are welcome.